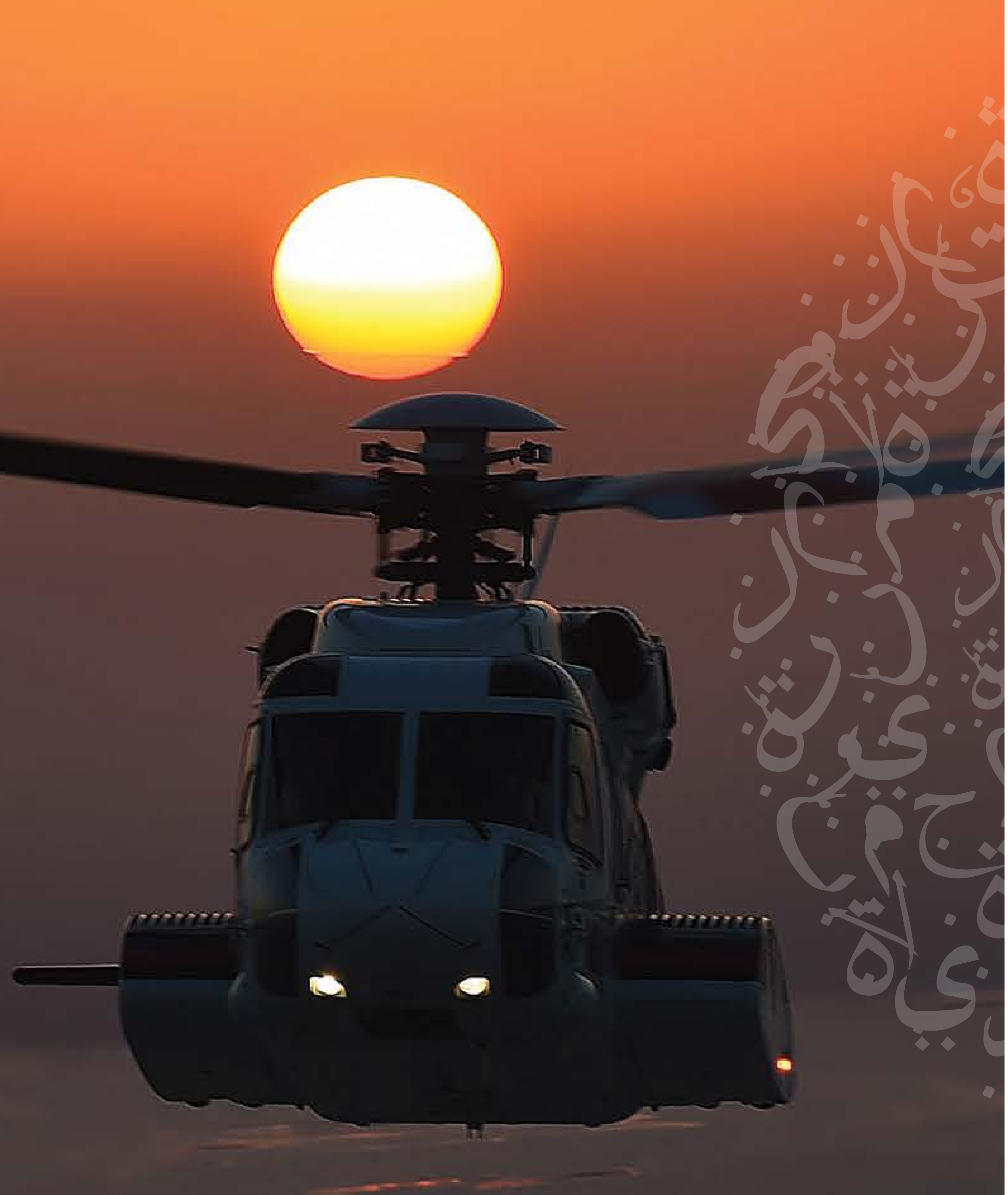
الخليج الدولية للخدمات

ANNUAL REPORT 2015



الخليج الدولية للخدمات ش.م.ق
Gulf International Services QSC

Address: P.O. Box 3212,Doha,Qatar
Tel: + 974 4013 2088
Fax: + 974 4013 9750
Website: www.gis.com.qa
Email: gis@qp.com.qa

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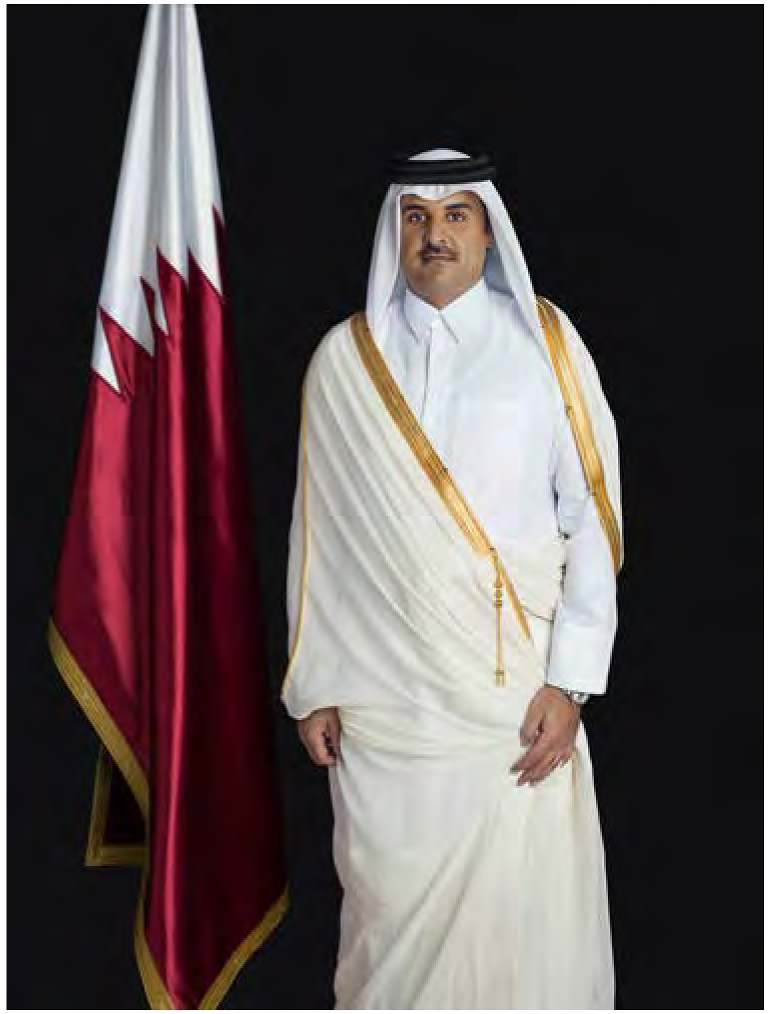
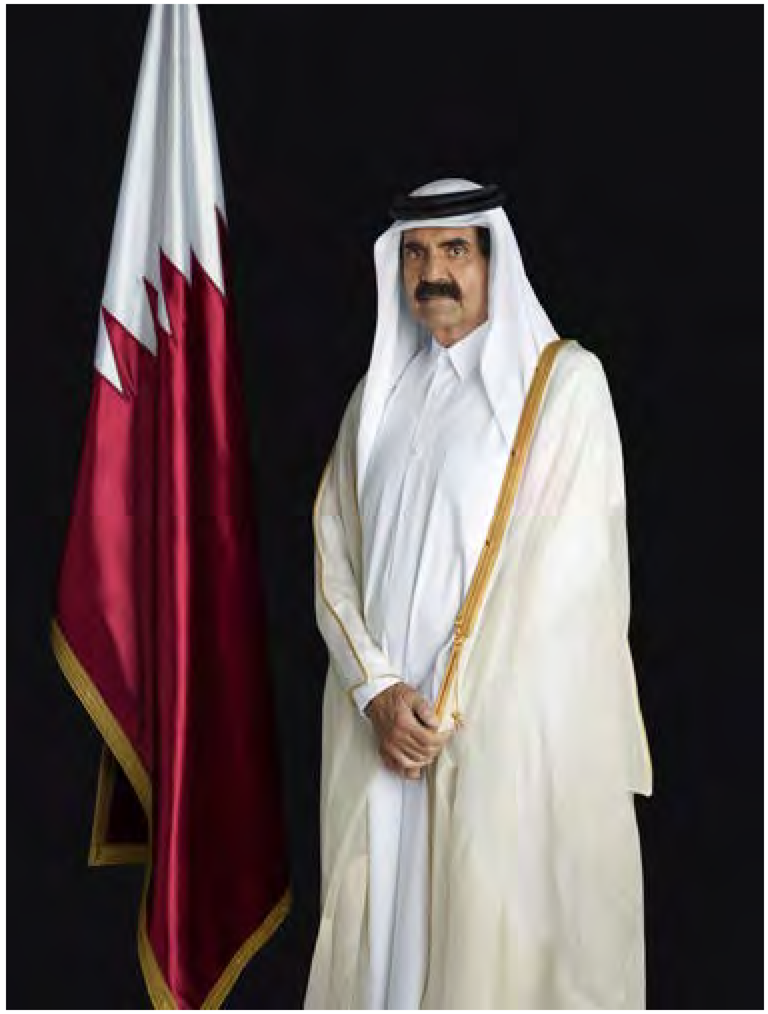


His Highness
Sheikh Tamim bin Hamad Al-Thani
The Emir of the State of Qatar



His Highness
Sheikh Hamad bin Khalifa Al-Thani

The Father Emir

ABOUT GULF INTERNATIONAL SERVICES

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الخليج الدولية للخدمات

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ABOUT GULF INTERNATIONAL SERVICES

Gulf International Services Q.S.C. was incorporated as a Qatari joint stock company on February 12, 2008 by Resolution Number 42 of 2008 of the State of Qatar's Ministry of Economy and Commerce, pursuant to its Memorandum and Articles of Association and Law Number 5 of 2002 concerning Commercial Companies. The authorised share capital is QR 2 billion with the issued share capital consisting of 185.8 million ordinary shares and 1 special share.

The registered office is located at P.O. Box 3212, Doha, State of Qatar. Through the group companies, GIS operates in four distinct segments - insurance and reinsurance, drilling and associated services, helicopter transportation services and catering services.

Head Office Functions and Management Structure

Qatar Petroleum provides all of the head office functions for GIS through a comprehensive services agreement. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.

DRILLING

Gulf Drilling International Q.S.C. ("GDI")

GDI was incorporated in 2004 as a joint venture between Qatar Petroleum (60%) and Japan Drilling Company (40%). Subsequent to exercising a share option provision within the joint venture agreement, QP increased its stake to 69.99% and then transferred this shareholding to GIS. With effect from May 1, 2014, GIS exercised an option in the joint venture agreement and acquired the remaining 30% of GDI, resulting in GDI becoming a wholly-owned subsidiary of GIS. The company's authorized and issued share capital is QR 739.7 million.
The registered head office is located at Palm Tower B, West Bay, 9th Floor, P.O. Box 9072, Doha, State of Qatar. Total headcount as of December 31, 2015 is 1,681, split between head office (173), onshore (649) and offshore (859) staff.

Services

GDI currently has direct ownership of 18 drilling rigs (10 offshore rigs and 8 onshore rigs), which are used to drill wells suitable for oil and natural gas extraction, 1 jack-up accommodation barge and 2 liftboats.
As the only Qatari owned drilling contractor, GDI maintains a close relationship with Qatar Petroleum, due in part to QP's indirect ownership, and has 11 of its drilling rigs currently contracted to QP.

Offshore Rigs

GDI owns 10 offshore jack-up rigs, 4 of which are conventional rigs and 6 are hi-spec, premium rigs. The conventional rigs, Al Doha, Al Rayyan, Al Wajba and Msheireb, have each undergone extensive upgrades, refurbishments and life extension work over the last 5 years. The hi-spec, premium rigs, Al Khor, Al Zubarah, Al Jassra, Les-Hat, Dukhan and Halul, are all relatively new, having been built within the last 8 years. Each of those rigs has been specifically designed for operations in Qatar. GDI's conventional rigs are rated for a maximum drilling depth of 6,000 meters while its hi-spec, premium rigs are rated for a maximum drilling depth of 9,000 meters.

Onshore Rigs

GDI owns 8 onshore rigs, 5 of which are drilling rigs and 3 are work-over rigs. All onshore rigs are contracted exclusively to Qatar Petroleum and are rated for maximum drilling depths ranging between 3,000 meters and 9,000 meters.

Accommodation Jack-up Barges and Lift Boats

GDI owns 1 jack-up accommodation barge, Zikreet, and 2 liftboats Rumailah and Al Safliya.

INSURANCE AND REINSURANCE

Al Koot Insurance and Reinsurance Company S.A.Q.

Incorporated in 2003, it is currently a wholly-owned subsidiary of Gulf International Services (GIS). Al Koot's authorized share capital is QR 500 million with its paid-in capital currently QR 218.6 million.The registered Head Office is located at Al Maha Building, Bin Omran Area, P.O. Box 24563, Doha, and State of Qatar.
Total headcount is [68] with all staff based at the Head Office.

Services

Prior to its acquisition by GIS, Al Koot was the captive insurance company of Qatar Petroleum and hence was established with the primary aim of providing, risk management, insurance and reinsurance services to QP and its business ventures. Following acquisition, Al Koot, as an indirect subsidiary of QP, was providing a de facto captive insurance service to the QP Group until mid 2015.All of the company's services are principally provided within the construction, operations, marine, and medical insurance and reinsurance fields. Since June 2015 and following QP circular ending the company's status as QP captive, Al Koot formed various committees to change its structure to commercial entity.

The transformation committee submitted all required documents and necessary explanation about the company's operation to S&P and got a credit rating of A- stable which will enable Al Koot to underwrite energy accounts that are the core business of the company. In the meantime the company started to consolidate its underwriting capabilities and change its structure to meet the new phase.The company was able to maintain almost all its energy book of business but with reduced shares due to change in its status. Our aim is to maintain all accounts that have LTA and at the same time prepare the company to compete in all future energy tenders.

Al Koot obtained A- rating from S&P which effectively paved the way for Al Koot to offer its capacity as Energy Reinsurer to the local market and with its historical captive role of QP and its business partners will enable Al Koot to bid as primary insurer and might take a lead role in the market.

AVIATION

Gulf Helicopters Company Q.S.C. ("GHC")

Originally incorporated in 1970 under the name of Gulf Helicopters Limited as a subsidiary of British Overseas Airways Corporation, the company was subsequently acquired by Gulf Air, and then sold to Qatar Petroleum in 1998. QP transferred its 100% shareholding to GIS in 2008. GHC has 2 subsidiaries, Al Maha Aviation Company, in which it owns 92% of the shares and effective control over the remainder, and Redstar Havacilik Hizmetleri A.S., in which it owns 49% of the shares and effective control over the remainder. GHC also has a 36% investment in a joint venture in India, United Helicharters Private Limited, and 1 branch office located in West Sussex, United Kingdom. GHC's authorised and issued share capital is QR 66 million.

The registered head office is located at Ras Abu Aboud Street, P.O. Box 811, Doha, State of Qatar. Total headcount is 456, split between operations, engineering and administration.

Licenses

GHC holds an Air Operators Certificate issued by the Qatar Civil Aviation Authority. GHC is recognised by the United States Federal Aviation Authority as an approved repair station and as a maintenance organisation by both the European Aviation Safety Agency and the Qatar Civil Aviation Authority. GHC, through its Libyan subsidiary Al Maha, is registered with the Libyan Civil Aviation Authority. Within Qatar, GHC operates as the sole provider of helicopter transportation services. GHC is also an EASA Part 147 approved Maintenance Training Organisation.

Services

GHC's core operational activities consist of a variety of helicopter transportation services, including offshore / onshore transporting, long- and short-line load lifting, seismic support, VIP executive transport, and ad-hoc short-term contracts. Remaining revenue consists of residential rental income, income from its UK procurement branch, simulator training, sale of spare parts and third party aircraft and component maintenance.

Fleet

GHC currently operates a fleet of 48 helicopters. Of these, 23 are twin-engine Agusta-Westland 139 and 189 helicopters, which can carry between 12 and 15 passengers, 20 twin-engine Bell 412 and 212 class helicopters, with a seating capacity of 13 persons, 3 Bell 206 class helicopters with a seating capacity of 6 persons and 2 Sikorsky S-92 helicopters configured for VVIP use. It's Turkish subsidiary Redstar Aviation owns a fixed wing Learjet 45 aircraft.

CATERING

AMWAJ Catering Services Company Limited Q.S.C.

Incorporated in 2006 as a wholly-owned subsidiary of Qatar Petroleum with an authorised capital of QR 400 million and paid-up capital of QR 100 million, AMWAJ was subsequently acquired by GIS on June 1, 2012.

The registered head office is located at P.O. Box 23904, Doha, State of Qatar. Total headcount is 8,568 with staffs are allocated to various projects in Qatar.

Operations and Services

From the original objective to provide catering, AMWAJ has diversified its services to encompass cleaning, pest control, manpower supply, facilities management, waste management, camp management, retail and VIP catering. AMWAJ is perceived to provide "a one-stop solution" to its clients.

Health, Safety and Environment matters are ranked as the top priorities for AMWAJ with AMWAJ Operations are covered by our prestigious Quality Management Systems. All Catering Operations were recertified for ISO 22000:2005. The scope for OHSAS 18001:2007 is covering not only Catering Operations but also all Facility Management tasks that are being undertaken by AMWAJ. The Certification of ISO 14001:2004 for Environmental Management System has also been obtained that covers the full scope of AMWAJ Operations.

BOARD OF DIRECTORS

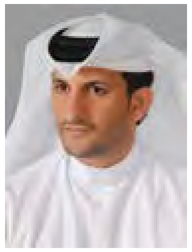
الخليج الدوليّة للخدمات

BOARD OF DIRECTORS

الخليج الدولية للخدمات

Sheikh Khalid bin Khalifa Al-Thani
Chairman

Mr. Suleiman Haidar Al-Haider
Vice Chairman



Mr. Ebrahim Ahmad Al-Mannai
Managing Director

Mr. Khalid Saeed Al-Rumaihi
Member

Sheikh Jassim bin Abdullah Al-Thani
Member

Mr. Mohammed Abdullah Al-Mannai
Member

CHAIRMAN'S MESSAGE

Sheikh Khalid bin Khalifa Al-Thani

Chairman

الخليج الدوليّة للخدمات

CHAIRMAN'S MESSAGE

Introduction

I am delighted to have this opportunity to welcome you to the 8th Annual General Assembly Meeting of Gulf International Services (GIS), the largest services group in State of Qatar.

This is my first term as the Chairman of the Board of GIS. I thank the previous Chairman, HE Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry and the Chairman of Qatar Petroleum, and the previous Board of Directors of GIS for developing GIS into its current position. I also welcome the new board members who joined the board from the private sector who will undoubtedly bring their experience to develop GIS further. The practice of private sector participation in the boards of quasi government publicly listed entities can be seen as a healthy corporate governance practice. I am honoured and privileged to lead GIS, one of the largest service providers in the region since its incorporation in 2008 with having portfolio companies in a diverse range of industries and an asset base in excess of QR 11.2 billion.

Financial year 2015 was expected to be challenging for a number of reasons, including the consequences of QP's procurement mechanism and its impact on some group companies together with unfavourable economic environment driven by a significant fall in the crude oil prices, due to which the group companies within GIS had to inculcate new thinking, new way of working to stay ahead of uncertain economic environment and the competition while maintaining the costs at the lowest. The group therefore embarked on a number of cost improvement and optimization programs those supported and will continue to support the group's performance during the current and future turbulent economic period.

I can assure you that together with my fellow Board of Directors, we will put our whole hearted effort in ensuring that GIS will continue to be the flag ship service provider especially in oil and gas field within the region and continue to add value. I am confident that we together with the senior management of the group companies develop sustainable long-term strategies and business development programs to overcome all the obstacles currently faced due to the unfavorable market conditions.

Financial Results

Acknowledging the indirect impact of oil price plunge on GIS group and Qatar Petroleum's decision to part away with the single source procurement, GIS recorded commendable financial results for the financial year 2015 with a revenue of QR 4.2 billion and net profit of QR 801.4 million while total assets growing to QR 11.2 billion as at 31 December 2015 from QR 3.3 billion at the end of 2008.

2015 results were significantly impacted due to the year-on-year reduction in profits of the group's subsidiaries namely Gulf Drilling International and Gulf Helicopters Company. Both of these companies had to revise the contract prices downward to meet the demand of its clients of oil and gas companies in Qatar following the oil price plunge, and the non-renewal of few drilling agreements which were previously contracted.

Performance Improvement through Cost Optimization and Asset Utilisation

With cost reduction becoming top most priority of all entities across the world due to the current economic situation, GIS recognizes and acknowledges that the best way to compete is by providing the world-class services at the lowest possible cost. Therefore the group has already embarked on a number of initiatives to identify opportunities where costs could be minimized and utilisation

of the assets could be optimized. The initiatives include the strategic assessment of the business operations within the group companies, re-assessment of CAPEX, OPEX, people, processes and financing needs so that value can be delivered to our customers' through optimizing and rationalizing our costs and operations while our insurance subsidiary recently received A- rating from credit rating agency Standard & Poor's which will be a major strength when they negotiate rates with reinsurers and lenders, enabling Al-Koot to remain competitive in the reinsurance market without the support of QP.

Capital Expenditure and Business Development

Despite the current muted economic environment, GIS is embarking a selective capital expenditure Programs together with suitable business development opportunities. GIS believes that continued investment in operating assets are essential to remain competitive in business and will continue to invest when the right opportunity becomes available.

With the total CAPEX of QR 4.3 billion since its inception in 2008 to-date, the group expects to further invest QR 1.9 billion over the next five years. These investments are expected to generate additional revenue. I believe these investments will further strengthen the group's competitive position as the premier service provider in the region.

Proposed Dividend Distribution

For the period from the initial public offering in February 2008 to 2014, the group's shareholders have received accumulated cash dividends of QR 2.3 billion, which is equivalent to circa QR 12.3 per share, with an average payout ratio of approximately 58 %. In addition, shareholders have received a total of 63 million additional shares through three bonus issuances.

The Board of Directors wish to express their gratitude to the group's shareholders for the confidence they placed in the group, and take necessary steps for the shareholders to benefit from the group's progressive business development program. In this regard, after taking the operating, investing, and the financing needs of business into consideration, the Board of Directors is pleased to recommend a dividend distribution for the year ended December 31, 2015 equivalent to a payout of QR 1 per share and representing 23.2 % of the group's net profit.

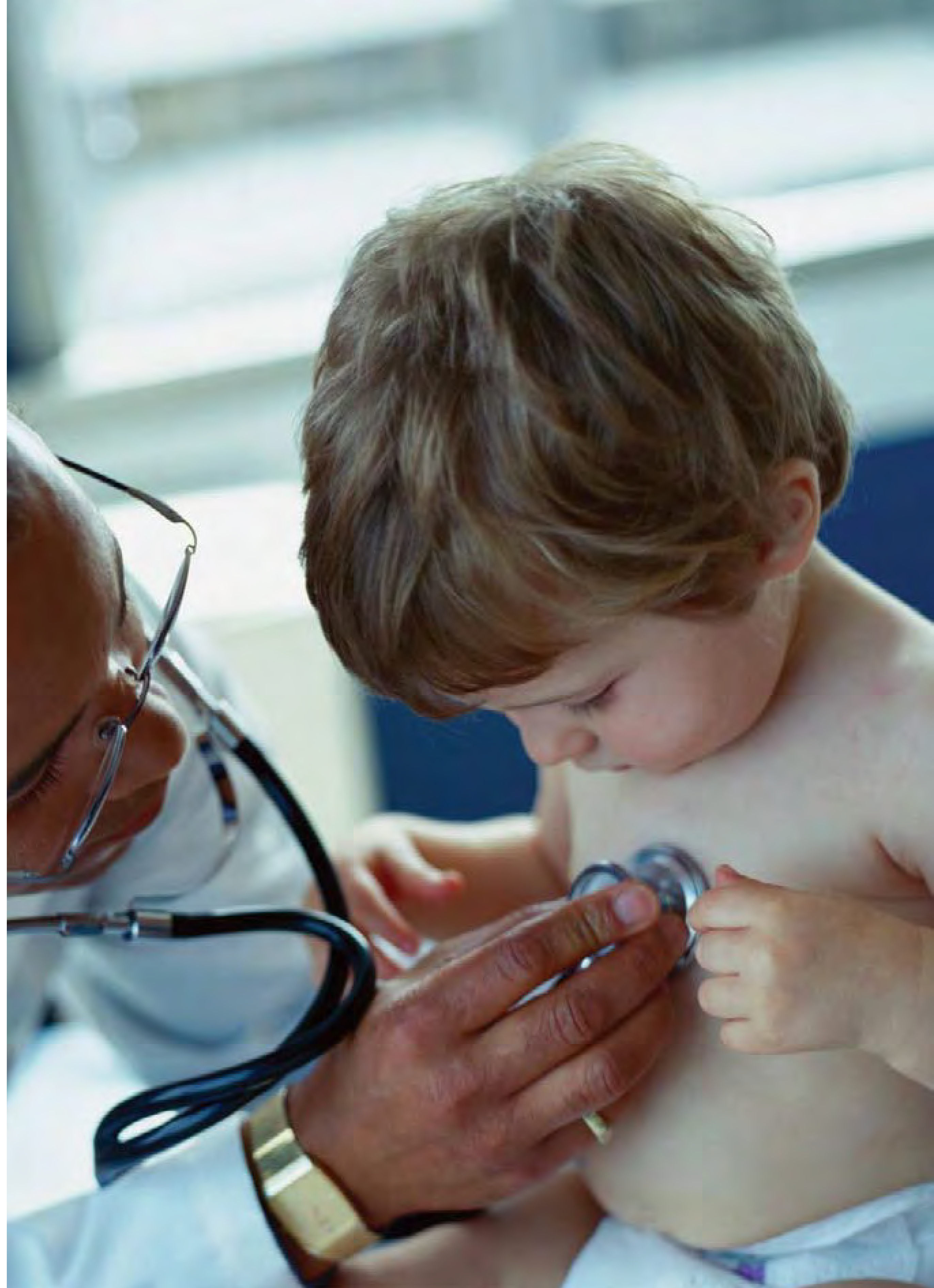
Conclusion

I would like to express my gratitude to His Highness, Sheikh Tamim bin Hamad Al-Thani, Emir of the State of Qatar, and his wise government for the support provided to the publicly listed companies.

I also wish to thank Qatar Petroleum for their unbounded support provided to GIS, and my fellow Board members and the senior management of the group companies for their dedication and hard work.

Khalid bin Khalifa Al-Thani
Chairman of the Board of Directors

BOARD OF DIRECTORS' REPORT



الخليج الدولية للخدمات

Introduction

The Board of Directors is pleased to present its 8th report on the operational and financial performance of Gulf International Services, the largest services group in Qatar with interests in a broad cross-section of industries, ranging from insurance, re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation, and catering services.

Financial Results

Revenue

Group revenue for the year ended December 31, 2015 was QR 4.2 billion, representing a moderate decrease of QR 92.5 million, or 2.2 %, over last year.
Revenue in the drilling segment for the year ended December 31, 2015 remained flat at QR 1.8 billion compared to previous year.

Aviation segmental revenue for 2015 decreased marginally by QR 15.7 million, or 2.4%, to close at QR 628.3 million. This reduction was primarily driven by the lower flying activities in some of the regional markets and a modest decrease in the rates due to prevailing market conditions.

The group's insurance subsidiary registered gross insurance revenue of QR 685.6 million, a decrease of QR 47.3 million, or 6.5%, compared to last year. This drop was primarily due to a combination of factors including softening of insurance markets and changes to insurance renewal terms.

Amwaj Catering Services Limited contributed QR 1,005.6 million to group revenue, and now represents the second largest revenue segment within the group. Compared to last year, the segment's revenue was marginally down by QR 50.0 million, or 4.7%, due to re-pricing of some of its contracts within its core industrial catering services due to prevailing tight economic conditions and completion of few short-term projects.

Net Profit

Net profit for the year closed at QR 801.4 million, a year-on-year decrease of QR 608.4 million, or 43.2%. Excluding the one-off gain from business combination recorded in the previous year amounting to QR 269.4 million, the year-on-year decrease was 29.7%. This year-on-year decrease was primarily driven by a reduction in revenue, loss on punch-through of lift-boat "Rumailah" and increase in "Other expenses".

The year-on-year net profit variance in the Drilling segment of QR 287.2 million, or 40.0%, was driven by a number of factors including lower daily rates and loss on punch-through of Rumailah.
Aviation segment earnings for the year ended December 31, 2015 were impacted by reduced revenue. These changes have resulted in QR 39.4 million reduction in year-on-year net profit to close at QR 193.2 million.

Profit in the Insurance segment for the financial year reached QR 113.0 million, a decrease of QR 47.4 million, or 29.6% as the benefit gained from reduced claims were offset by the increase in "Other expenses".
Net profit in the Catering segment for 2015 was QR 115.0 million, up by QR 35.2 million, or 44.1% due to significant reduction in costs.

Proposed Dividend Distribution

The Board of Directors propose a total annual dividend distribution for the year ended December 31, 2015 of QR 185.8 Million, equivalent to a payout of QR 1 per share, and representing 23.2% of the group's net profit.

Conclusion

The Board of Directors expresses its gratitude to His Highness, Sheikh Tamim bin Hamad Al-Thani, Emir of the State of Qatar. Our gratitude is also extended to the management and employees of the group companies for their hard work, commitment and dedication to Gulf International Services.

MANAGING DIRECTOR'S MESSAGE

Mr. Ebrahim Ahmad Al-Mannai

Managing Director

الخليج الدولية للخدمات

الخليج الدولية للخدمات

Introduction

I take pleasure in presenting this brief statement to our esteemed shareholders of the principle developments and challenges during 2015.

We all are very well aware that that financial year 2015 was to be a challenging year for GIS group companies as the dramatic fall in the crude oil prices during 2015 has affected most of the companies indirectly. At the same time GIS also faced new challenges when Qatar Petroleum decided to move away with single sourcing procurements for most of their procurement requirements. Despite all of this, GIS has done very well both financially and operationally posted a credible net profit of QR 801.4 million in 2015 with group's total assets exceeding QR 11.2 billion as of 31 December 2015.

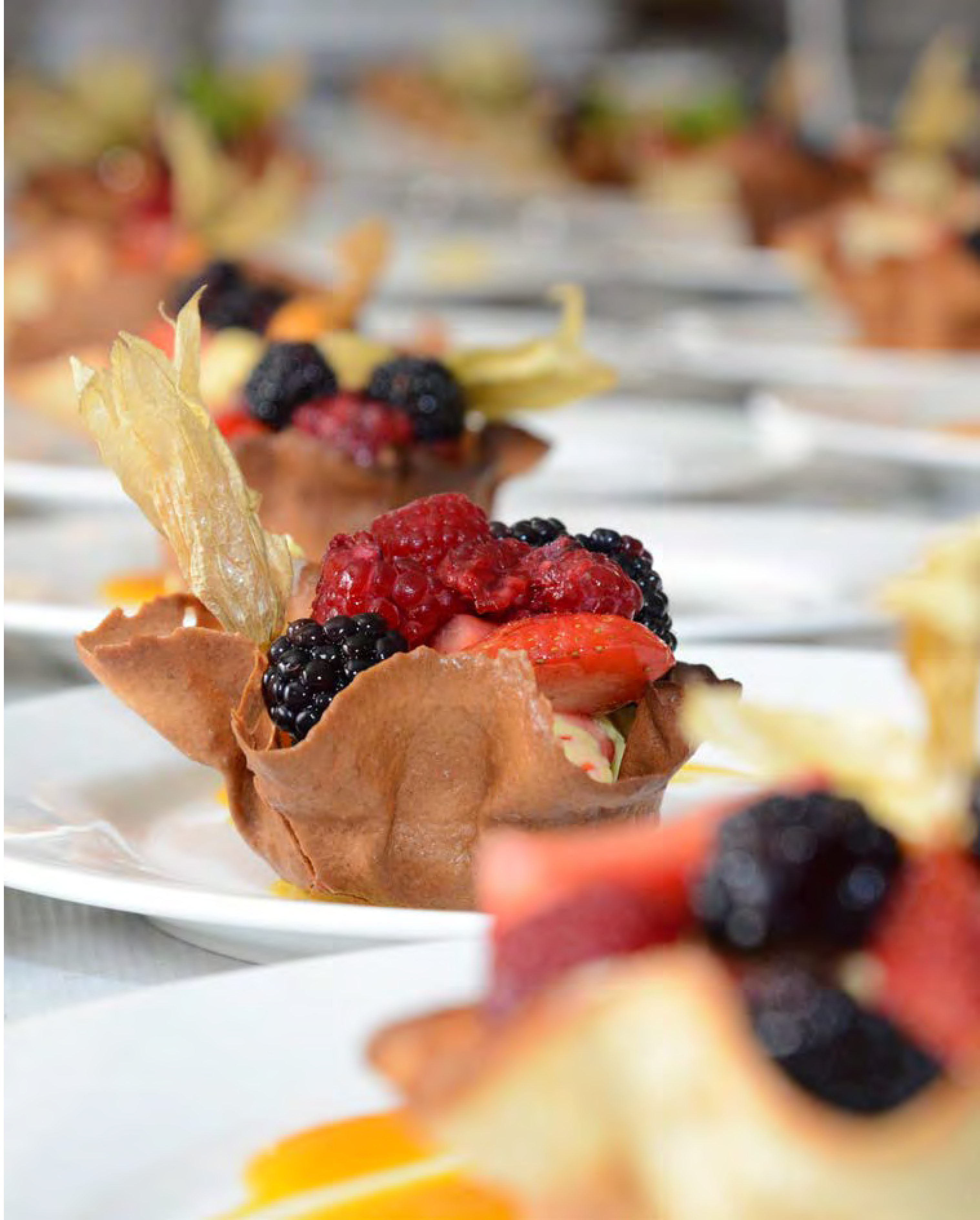
Faced with ongoing economic instability and business uncertainty around the businesses following the oil price volatility and the changes in the business model due to Qatar Petroleum's new decision on procurement, optimizing costs and resources became the key priorities for GIS group of companies. GIS head office took the lead role in planning, coordinating, and implementing these cost and operational optimization initiatives and worked closely with group companies' senior management to identify opportunities that are best suited to GIS group companies. I believe these initiatives will definitely help the group to overcome the current debacles created by tough economic conditions and provide material benefits to our shareholders in the future.

Conclusion

In closing, I would like to extend my sincere gratitude to the Board of Directors of Gulf International Services, headed by Khalid bin Khalifa Al-Thani, the Chairman of GIS, the senior management and staff of our group companies for their hard work and support.

Ebrahim Ahmad Al-Mannai
Managing Director

INDEPENDENT AUDITORS' REPORT



الخليج الدولية للخدمات

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF GULF INTERNATIONAL SERVICES Q.S.C

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Gulf International Services Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, applicable provisions of Qatar Commercial Companies' Law, Articles of Association, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Gulf International Services Q.S.C. and its subsidiaries, as at December 31, 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Group and physical inventory has been duly carried out. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Company. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies' Law and the Company's Articles of Association were committed during the year which would materially affect the Group's activities or its consolidated financial position.

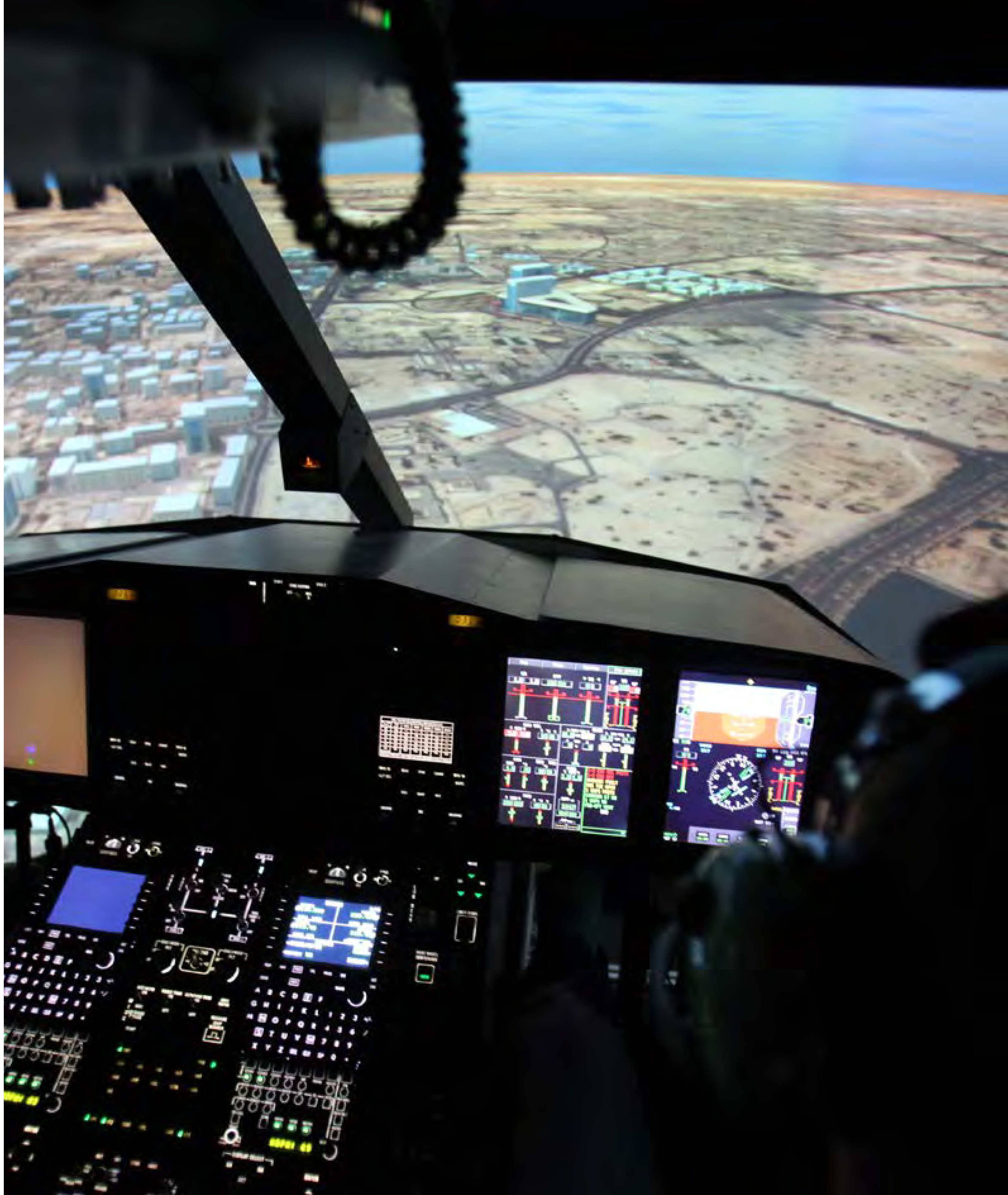
We draw attention to Note 3 to the consolidated financial statements which explains that a new Qatar commercial companies law was issued, replacing Law No. 5 of 2002. On July 7, 2015 the new law was included in the official Gazette for effective use and application. The new law came into force 30 days from the date of its official publication in the Gazette, noting that all entities are granted a period of 6 months from the effective date (i.e. until February 7, 2016) of the new law to comply with the provisions of the law. The Company's management is in the process of assessing the impact of the new law on their Articles of Association and consolidated financial statements

Doha – Qatar
February 2, 2016

For Deloitte & Touche
Qatar Branch

Walid Slim
Partner
License No. 103

CONSOLIDATED FINANCIAL STATEMENTS



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CONSOLIDATED FINANCIAL STATEMENTS

الخليج الدولية للخدمات

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2015

	December 31, 2015 QR'000	December 31, 2014 QR'000
Revenue	**4,164,250**	3,905,677
Direct costs	**(2,953,922)**	(2,709,910)
Gross profit	**1,210,328**	1,195,767
Finance income	**20,863**	21,366
Net (losses)/gains on financial assets at fair value through profit or loss	**(10,011)**	15,908
Impairment on available-for-sale financial assets	**(12,060)**	--
Other (expenses)/income	**(61,799)**	72,902
Share of profit of joint ventures	**--**	99,854
Finance cost	**(78,493)**	(48,415)
General and administrative expenses	**(267,400)**	(216,943)
Gains from business combination	**--**	269,440
Profit for the year	**801,428**	1,409,879
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets:		
Net fair value (loss)/gain during the year	**(22,448)**	14,731
Net amount of impairment transferred to profit or loss	**12,060**	--
	(10,388)	14,731
Net foreign exchange difference on translation of foreign operations	**1,220**	(12)
Other comprehensive (loss)/income for the year	**(9,168)**	14,719
Total comprehensive income for the year	**792,260**	1,424,598
Earnings per share		
Basic and diluted earnings per share (Qatari Riyal)	**4.31**	7.59

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015

	December 31, 2015 QR'000	December 31, 2014 QR'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,364,128	7,037,488
Goodwill	303,559	313,026
Investment properties	--	1,125
Intangible assets	3,336	--
Held-to-maturity financial assets	85,521	85,484
Available-for-sale financial assets	314,419	300,496
Total non-current assets	8,070,963	7,737,619
Current assets		
Inventories	221,984	202,766
Due from related parties	598,460	634,452
Accounts receivable, prepayments and other debit balances	841,481	679,237
Insurance contract receivables	328,237	266,579
Financial assets at fair value through profit or loss	206,417	218,331
Cash and bank balances	961,207	1,087,281
Total current assets	3,157,786	3,088,646
Total assets	11,228,749	10,826,265

	December 31, 2015 QR'000	December 31, 2014 QR'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,858,409	1,858,409
Legal reserve	340,893	286,538
General reserve	74,516	74,516
Foreign currency translation reserve	871	(349)
Fair value reserve	21,200	31,588
Retained earnings	1,631,940	1,927,027
Total equity	3,927,829	4,177,729
LIABILITIES		
Non-current liabilities		
Employees' end of service benefits	74,631	64,402
Loans and borrowings	3,690,290	3,945,832
Total non-current liabilities	3,764,921	4,010,234
Current liabilities		
Accounts payable, insurance payables and accruals	2,049,711	1,718,891
Due to related parties	19,533	10,556
Loans and borrowings	1,466,755	908,855
Total current liabilities	3,535,999	2,638,302
Total liabilities	7,300,920	6,648,536
Total equity and liabilities	11,228,749	10,826,265

These consolidated statements were approved by the Board of Directors and signed on behalf on February 2,2016 by:

Khalid Bin Khalifa Al-Thani
Chairman

Suleiman Haidar Al-Haider
Vice-Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2015

	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2014	1,486,727	75,474	74,516	(337)	16,857	1,432,486	3,085,723
Total comprehensive income for the year	--	--	--	(12)	14,731	1,409,879	1,424,598
Net movement in legal reserves *	--	211,064	--	--	--	(211,064)	--
Issuance of bonus shares	371,682					(371,682)	--
Dividends paid	--	--	--	--	--	(297,345)	(297,345)
Provision for social and sports fund	--	--	--	--	--	(35,247)	(35,247)
Balance at December 31, 2014	1,858,409	286,538	74,516	(349)	31,588	1,927,027	4,177,729

* The additions to the legal reserve during 2014 amounting to QR. 194,824 thousands resulted from the acquisition of the remaining 30 % of Gulf Drilling International Limited Q.S.C. (GDI), which became a 100 % subsidiary of the Company during the current year, while the remaining balance amounting to QR. 16,240 thousands resulted from the transfers of the legal reserve related to other companies of the Group.

	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at January 1, 2015	1,858,409	286,538	74,516	(349)	31,588	1,927,027	4,177,729
Total comprehensive income for the year	--	--	--	1,220	(10,388)	801,428	792,260
Net movement in legal reserves	--	54,355	--	--	--	(54,355)	--
Dividends paid	--	--	--	--	--	(1,022,124)	(1,022,124)
Provision for social and sports fund	--	--	--	--	--	(20,036)	(20,036)
Balance at December 31, 2015	**1,858,409**	**340,893**	**74,516**	**871**	**21,200**	**1,631,940**	**3,927,829**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	December 31, 2015 QR'000	December 31, 2014 QR'000
OPERATING ACTIVITIES		
Profit for the year	**801,428**	1,409,879
Adjustments for:		
Depreciation	**498,246**	359,968
Amortization of Intangible assets	**2,223**	--
Employees' end of service benefits	**20,814**	19,412
Finance cost	**78,493**	48,415
Loss (gain) on disposal of property, plant and equipment	**7,320**	(6,232)
Share of profit of joint ventures	**--**	(99,854)
Net (losses)/gains on financial assets at fair value through profit or loss	**10,011**	(15,908)
Amortization of discount of held-to-maturity financial assets	**(37)**	(36)
Gain from business combination	**--**	(269,440)
Provision for doubtful debts, net	**11,442**	465
Finance income	**(20,863)**	(21,366)
Provision for slow moving and obsolete items	**3,089**	1,565
Net gain on sale of available-for-sale financial assets	**(3,377)**	(24,412)
Impairment on available-for-sale financial assets	**12,060**	--
Change in foreign currency translation reserve	**1,220**	12
	1,422,069	1,402,468
Working capital changes:		
Inventories	**(22,307)**	(40,494)
Accounts receivable, due from related parties, insurance contract receivables, prepayments and other debit balances	**(199,352)**	(32,210)
Accounts payable, due to related parties, insurance payables and accruals	**319,761**	(156,440)
Cash generated from operating activities	**1,520,171**	1,173,324
Employees' end of service benefits paid	**(10,585)**	(6,203)
Net cash from operating activities	**1,509,586**	1,167,121

	December 31, 2015 QR'000	December 31, 2014 QR'000
INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale financial assets	**25,691**	100,321
Finance income	**20,863**	21,366
Dividend income received from a joint venture	**--**	140,140
Proceeds from sale of financial assets at fair value through profit or loss	**23,810**	94,070
Acquisition of property, plant and equipment	**(833,991)**	(1,768,011)
Acquisition of financial assets at fair value through profit or loss	**(21,907)**	(35,837)
Acquisition of available-for-sale financial assets	**(58,685)**	(191,689)
Time deposits with original maturities in excess of three months	**25,535**	(103,533)
Proceeds from disposal of property, plant and equipment	**6,818**	6,410
Acquisition of a subsidiary net of cash received	**--**	(437,910)
Net cash used in investing activities	**(811,866)**	(2,174,673)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	**1,079,279**	1,770,293
Repayment of loans and borrowings	**(776,921)**	(326,433)
Dividends paid	**(1,022,124)**	(297,345)
Finance costs paid	**(78,493)**	(48,415)
Net cash from (used in)/financing activities	**(798,259)**	1,098,100
(Decrease)/increase in cash and cash equivalents	**(100,539)**	90,548
Cash and cash equivalents at the beginning of the year	**599,134**	508,586
Cash and cash equivalents at the end of the year	**498,595**	599,134